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SIPDIS

STATE FOR EB/ODF, EB/IRAQ, NEA/I - BYERGO AND WHA/CAN

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [PGOV](#) [CA](#) [IZ](#)

SUBJECT: CANADA: LUKEWARM TO EXPORT CREDIT AGENCY
AGREEMENT WITH IRAQ'S TRADE BANK

REF: STATE 228304

1. We conveyed the points in reftel to officials at Foreign Affairs Canada (FAC), the Canadian International Development Agency, Export Development Canada (the ECA) and the Department of Finance. Although there is no opposition in principle to signing a framework agreement with the Trade Bank of Iraq, there is, thus far, no demand from Canadian businesses and there is unlikely to be any until the security situation is more inviting. We were told that EDC also has concerns about the long-term reliability of the oil revenue flows that would back up TBI guarantees. The GOC is open to approaches from TBI "once peace breaks out" and believes a Canadian bank may have already signed some sort of protocol with Iraq.

2. A publication by International Trade Canada had a front-page article in October encouraging Canadian firms to participate in the "Rebuild Iraq 2005 exhibition in Amman next April, noting that it will "offer international suppliers a safe meeting place to present their products and technologies to Iraqi entrepreneurs, regional and international contractors and subcontractors, traders and importers, and Iraqi officials responsible for the Iraq Development Fund." The FAC contact person reports there has been no interest from Canadian firms, but he is optimistic that business will improve as the security situation settles. He will be attending the November conference in Amman as a delegate and will look for counterparts from Embassy Amman.

3. Baghdad minimize considered.

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